

# ABC Reports \$4 Million Loss For 4th Period

## It Is Closing Wildlife Park: Records Unit Also Cited: Full-Year Net Fell 65%

By a WALL STREET JOURNAL Staff Reporter

NEW YORK — American Broadcasting Cos. announced that severe troubles in its nonbroadcasting activities—particularly its wildlife preserve and its recorded music business—were primarily responsible for a \$4 million fourth quarter loss.

The diversified broadcasting and leisure-time concern said it wrote down its investment in its 405-acre wildlife preserve in Largo, Md., by about \$10.4 million before taxes to the estimated value of the existing land, facilities and equipment. ABC said it doesn't plan to operate a park at the Largo site any longer, and a spokesman added that ABC "will probably" attempt to sell the site.

ABC's write-down of its Largo investment was seen by industry observers as responsive to pressures from several sources, including the Wall Street community. Analysts have felt that the Largo park, which has experienced substantial losses since opening in 1974, eventually would have to be reevaluated by ABC. Richard Steenken, an analyst with Blyth, Eastman, Dillon Inc., said yesterday that ABC's write-down constitutes "a recognition that animal parks don't have a future. They just don't generate repeat business."

ABC, which took write-downs of more than \$12 million during the third quarter because of troubles in its recorded music business, said the fourth quarter results also include a \$10 million pretax loss from the ABC records division. ABC said the records loss was due to "a higher rate of returns than anticipated and additional costs of operating and restructuring the (record) company."

ABC's fourth quarter loss compares with year-earlier net income of \$11.1 million, or 61 cents a share. Revenue rose 7% to \$321.8 million from \$298.5 million.

For the full year, ABC's net income plummeted 65% to \$17.1 million, or 99 cents a share, from \$49.9 million, or \$2.92 a share, in 1974. Revenue rose 11% to \$1.1 billion from \$986 million.

ABC said the 1975 per-share earnings include a loss equal to one cent in the fourth quarter and a gain equal to five cents for the year principally from the sale of investments and other properties. Similar items in 1974 amounted to a loss of one cent for the fourth quarter and a gain of 11 cents for the year.

Although the wildlife preserve and record

business were particularly troublesome for ABC in the fourth quarter, the company said profit from its television network also declined. This was due, the company said, to "higher costs, and lower unit prices due to the network's disappointing ratings performance in 1974-75 broadcast season."

Leonard H. Goldenson, chairman, and Elton H. Rule, president, said that "while it is premature to project results for the year to come, we believe ABC is well-positioned for a strong year in 1976." Broadcasting activities, which accounted for 72% of revenue during 1975, have entered 1976 in a "strong position," they said.

The executives said that ABC's current network prime-time TV schedule has improved substantially from last year and has, in several recent weeks, put the network in first place in ratings competition. "The robust national and local television markets augur well for our owned TV stations," the executives said, while ABC's "radio divisions are improving on their record pace of 1975."